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April 1990

# Railway Age

...for the new age of railways and rail transit

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## Domestic containers: Sizing up the market

Light rail dominates the North American scene

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## 48 "Made in U.S.A." by M-K

With Morrison-Knudsen's capture of a Chicago Transit Authority order, a U.S.-owned builder is again producing new transit cars. M-K brings to the task a wealth of experience turning out good-as-new rebuilt cars.

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Technologically, the advanced train control system is close to being an accomplished fact. But a big price-tag and a relatively slow return on investment will delay implementation.

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# INSIDE

## Welcome to the Nat Welch Show

Atlanta's International Intermodal Expo—a.k.a. the Nat Welch Show—has evolved over the years into an extraordinary transportation marketplace, a marketplace that deals in both ideas and in the hardware that helps put these ideas to work on the railroads, the highways, the sea lanes, and the airways.

LUTHER S. MILLER

Intermodal Expo is remarkable in several ways. In sheer size, it dwarfs any similar exposition anywhere. The sixth Expo last year drew 3,380 paying attendees, mostly shippers and carriers, plus about 1,500 suppliers who registered as exhibitors and guided visitors through 301 indoor and outdoor displays of intermodal equipment and services.

These records promise to be equalled or exceeded at the seventh Expo, which will take place next month (May 8-10) at Atlanta's World Congress Center. By late March, 320 companies had purchased exhibit space. And a month and a half before show-time, Atlanta's ten downtown hotels were sold out and suburban hotels were beginning to put up "No Vacancy" signs.

So much for the quantitative side of the Georgia Freight Bureau's annual intermodal extravaganza.

Qualitatively, it's even more impressive.

Ask any supplier how many trade shows he has participated in, at great expense of time and money, only to discover that he's seeing more competitors than customers, and you're likely to get a grimace and a two-word answer: "Too many."

Intermodal Expo is different. Here, the customers outnumber the vendors.

Intermodal Expo's Nat Welch

Behind all of this is the organizing genius of Nat Welch, the former executive head of the Georgia Freight Bureau who now devotes all of his time to the Intermodal Expo, of which GFB remains the principal sponsor (with scores of co-sponsors from around the world). How does Welch do it?

"If you provide the nectar, you'll get the bees," is his characteristically down-to-earth explanation.

One of the bits of "nectar" at the 1990 show will be the Union Pacific's exhibit of a car that last month was being widely touted as Expo's "secret" attraction. It was, however, no secret to Senior Editor Gus Welty, whose detailed preview of UP's S.M.A.R.T. car is featured in this issue (p. 32).

The accompanying picture of Nat Welch shows Atlanta's intermodal impresario in an uncharacteristic relaxed position. He was more often to be found in recent months jetting to such international intermodal hotspots as Tokyo, Singapore, Bangkok, Seoul, Hong Kong, Bremen, Hamburg, and London, alerting the bees to where the nectar would be, come May 8.


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**Editorial and Executive Offices**
**New York, N.Y. 10014, 345 Hudson Street**
**212/620-7200**
**Fax: 212-633-1165**

ARTHUR J. McGINNIS, Jr., President and Publisher
LUTHER S. MILLER, Editor

Publishing Director: Robert G. Lewis

Associate Editor: Jessica Stern
Associate Editor: Douglas John Bowen
Financial Editor: Anthony D. Kruglinski
Contributing Editors: John H. Armstrong, William D. Middleton
Art Director: Maurice H. Mates
Graphics Director: Diana Line
Graphics Coordinator: Pat Nash
Railway Division Manager: Carolyn McGinnis
Marketing Director: Robert S. McIlwain
Corporate Production Director: Mary Conyers-Brown
Production Manager: Tina Small
Circulation Director: John Scunziano
Circulation Fulfillment Manager: Sheila Sullivan

**Western Editorial Offices**
**Chicago, Ill. 60604,**
**175 W. Jackson Boulevard, Suite A-1927**
**312/427-2729**
**Fax: 312-427-3014**

GUS WELTY, Senior Editor
Engineering Editor: Robert E. Tuzik
Editorial Assistant: Wanda Welty
Contributing Editor: Frank Malone

**International Offices**
**Falmouth, Cornwall, TR11 4RJ, England**
**P.O. Box 8**
**Telephone: 44-326-313945**
**Fax: 011-44-326-319066**

International Editors: Michael Knutton, David Briginshaw

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# MARKET OUTLOOK

## Equipment

**Burlington Northern:** Awarded a contract to Trinity Industries for the supply of 1,000 new covered hoppers at an unannounced price. Deliveries are to take place between June 4 and Oct. 31. BN's 1990 capital improvement program includes a total of $113 million for purchase, lease, or upgrading of freight cars and containers. In addition to the covered hoppers, new-car purchases will include 240 coal cars, 460 motor vehicle cars, and 120 100-ton-capacity boxcars.

**CSX Transportation:** Will acquire 53 new Dash 8-40C 4,000-hp diesel-electric units from General Electric this year. CSXT last year purchased 94 Dash 8-40Cs and 12 SD60s supplied by the Electro-Motive Division of General Motors. Delivery of the new order will take place in this year's third quarter.

**CSX Transportation:** Issued a letter of intent to Morrison-Knudsen for the remanufacture of 50 3,000-hp locomotives at a cost of approximately $32 million. The work is being done at M-K locomotive complexes in Boise, Ida., and Mountaintop, Pa. The order is to be completed by the end of 1990 with the first locomotive scheduled to be delivered this month.

## Facilities

**Conrail:** An $8 million improvement project at Conrail's Harrisburg, Pa., intermodal terminal will expand railcar capacity from 68 to 87 and increase trailer parking capacity from 350 to 675.

**CXT Inc.:** Will supply 20,000 concrete ties to the Baltimore Metro to replace ties which, says CXT, "have shown early signs of distress, possibly due to lack of compatibility of the cement and the aggregate used in the manufacture of the ties." The ties will be produced by CXT's Spokane, Wash., plant. CXT has supplied 5,000 replacement ties to the Massachusetts Bay Transportation Authority. Said John White, CXT president: "Although the reason for the orders is a disappointment to the concrete tie industry, the good news is that both transit operations still have faith in the concrete tie solution."

**Long Island:** Will completely rebuild the two-mile Harold Interlocking in Long Island City, a nine-week project that will run from June 29 through Sept. 4. The interlocking controls the movement of 650 LIRR and Amtrak trains.

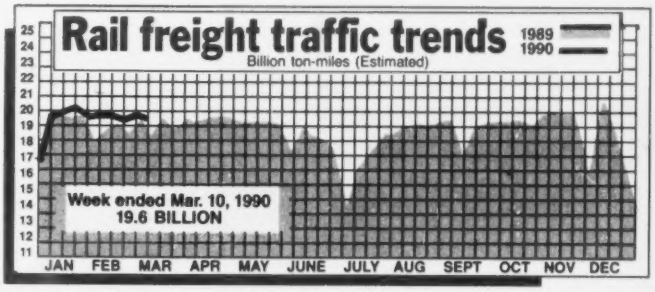
**Shanghai Metro:** A contract valued at $21 million has been awarded to General Railway Signal and its Chinese joint venture company, CASCO Signal Ltd., to provide the signaling and control system for the first of seven lines that will comprise the Shanghai Metro. The 14.5-km line will have 12 stations.

## Revenue freight carloadings

| Commodity | Mar. 10 week | Mar. 3 week | Feb. 24 week | Feb. 17 week |
|---|---|---|---|---|
| Grain | 30,521 | 32,367 | 31,501 | 32,480 |
| Other farm products | 1,587 | 1,697 | 1,643 | 1,696 |
| Metallic ores | 15,193 | 16,406 | 15,603 | 15,376 |
| Coal | 129,049 | 127,872 | 129,751 | 130,429 |
| Crushed stone, gravel and sand | 12,572 | 11,341 | 11,564 | 12,488 |
| Nonmetallic minerals | 9,097 | 9,412 | 8,768 | 9,569 |
| Grain mill products | 9,965 | 10,119 | 10,203 | 10,734 |
| Food and kindred products | 8,876 | 9,013 | 8,762 | 9,123 |
| Primary forest products | 10,420 | 10,630 | 9,758 | 10,245 |
| Lumber and wood products | 6,378 | 7,488 | 6,971 | 6,481 |
| Pulp, paper and allied products | 10,681 | 10,905 | 11,067 | 11,055 |
| Chemicals and allied products | 28,567 | 29,706 | 27,484 | 28,958 |
| Petroleum products | 5,098 | 4,666 | 4,418 | 4,777 |
| Stone, clay and glass products | 10,252 | 9,773 | 9,140 | 9,503 |
| Coke | 5,697 | 5,223 | 5,215 | 5,283 |
| Metals and products | 9,340 | 10,161 | 9,663 | 9,642 |
| Motor vehicles and equipment | 19,281 | 19,581 | 19,100 | 17,633 |
| Waste and scrap materials | 8,082 | 8,351 | 8,277 | 8,617 |
| All other carloads | 7,070 | 6,094 | 6,262 | 5,959 |
| **Total Cars Loaded** | **337,726** | **340,825** | **335,150** | **340,058** |
| % change from previous year | 3.2 | (.2) | 2.6 | .5 |
| | | | % change | |
| **Cumulative total:** 10 weeks | | 3,329,113 | 1.1 | |
| **Estimated revenue ton-miles (billions)** | 19.6 | 19.8 | 19.4 | 19.7 |
| % change from previous year | 3.7 | 0 | 3.2 | .5 |
| **Total:** | | **1990** | **1989** | **% change** |
| 10 weeks | | 193.1 | 190.1 | 1.6 |

## Intermodal traffic

| | Mar. 10 | Mar. 3 | Feb. 24 | Feb. 17 |
|---|---|---|---|---|
| Trailers | 68,327 | 70,924 | 65,808 | 65,929 |
| Containers | 51,958 | 50,422 | 50,143 | 58,187 |
| **Total** | **120,285** | **121,346** | **115,951** | **124,116** |
| % change from previous year | 8.2 | 4.2 | 2.6 | 5.0 |
| | | | | % change |
| **Cumulative total:** 10 weeks | | | 1,159,610 | 4.6 |


Rail freight traffic trends
1989
1990
Billion ton-miles (Estimated)
Week ended Mar. 10, 1990
19.6 BILLION
JAN FEB MAR APR MAY JUNE JULY AUG SEPT OCT NOV DEC

Source: Association of American Railroads

**Wisconsin Central:** Roadway and equipment improvements budgeted for 1990 total $20.4 million, about 20% of operating revenues, compared with an industry-wide average of 13%, according to Tom Powers, executive vice president and chief financial officer. Major items include 150 new covered hopper cars added to an earlier order for 250 cars from Bethlehem Steel; and track programs totaling $12.5 million.